

EXHIBIT "B"

Michigan Compiled Laws Annotated Currentness

Chapter 570. Liens

*☐ Special Tools Lien Act (Refs & Annos)

➡**570.541. Short title**

Sec. 1. This act shall be known and may be cited as the "special tools lien act".

M.C.L.A. 570.542

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570.542. Definitions

Sec. 2. For purposes of this act:

(a) "Customer" means a person who causes a special tool builder to design, develop, manufacture, assemble for sale, or otherwise make a special tool for use in the design, development, manufacture, assembly, or fabrication of metal parts, or a person who causes an end user to use a special tool to design, develop, manufacture, assemble, or fabricate a metal product.

(b) "End user" means a person who uses a special tool as part of his or her manufacturing process.

(c) "Special tool" means any tools, dies, jigs, gauges, gauging fixtures, special machinery, cutting tools, or metal castings manufactured by a special tool builder.


(d) "Special tool builder" means a person who designs, develops, manufactures, or assembles special tools for sale.

(e) "Person" means an individual, firm, partnership, association, corporation, limited liability company, or other legal entity.

M.C.L.A. 570.555

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570.555. Notice to customer of lien

Sec. 15. Before enforcing a lien granted to an end user under section 13, [FN1] notice in writing shall be given to the customer, delivered personally or sent by registered mail to the last known address of the customer. The notice shall state that a lien is claimed for the amount due for metal fabrication work or for making or improving the special tool. The notice shall include a demand for payment.

M.C.L.A. 570.563

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➔**570.563. Recording on special tool of information pertaining to special tool builder; filing of financing statement by special tool builder; creation, notice, attachment, duration, and priority of lien of special tool builder**

Sec. 23. (1) A special tool builder shall permanently record on every special tool that the special tool builder fabricates, repairs, or modifies the special tool builder's name, street address, city, and state.

(2) A special tool builder shall file a financing statement in accordance with the requirements of section 9502 of the uniform and commercial code, 1962 PA 174, MCL 440.9502.

(3) A special tool builder has a lien on any special tool identified pursuant to subsection (1). The amount of the lien is the amount that a customer or end user owes the special tool builder for the fabrication, repair, or modification of the special tool. The information that the special tool builder is required to record on the special tool under subsection (1) and the financing statement required under subsection (2) shall constitute actual and constructive notice of the special tool builder's lien on the special tool.

(4) The special tool builder's lien attaches when actual or constructive notice is received. The special tool builder retains the lien that attaches under this section even if the special tool builder is not in physical possession of the special tool for which the lien is claimed.

(5) The lien remains valid until the first of the following events takes place:

(a) The special tool builder is paid the amount owed by the customer or end user.

(b) The customer receives a verified statement from the end user that the end user has paid the amount for which the lien is claimed.

(c) The financing statement is terminated.

(6) The priority of a lien created under this act on a special tool shall be determined by the time the lien attaches. The first lien to attach shall have priority over liens that attach subsequent to the first lien.

M.C.L.A. 570.565

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570.565. Notification of customer and end user of lien of special tool builder

Sec. 25. To enforce a lien that attaches under section 23, [FN1] the special tool builder shall give notice of the lien in writing to the customer and the end user. The notice shall be given by hand delivery or certified mail, return receipt requested, to the last known address of the customer and to the last known address of the end user. The notice shall state that a lien is claimed, the amount that the special tool builder claims it is owed for fabrication, repair, or modification of the special tool, and a demand for payment.

M.C.L.A. 570.567

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570.567. Rights of special tool builder as to enforcement of lien

Sec. 27. Subject to section 29, [FN1] if the special tool builder has not been paid the amount claimed in the notice required under section 25 [FN2] within 90 days after the notice required under section 25 has been received by the customer and the end user, the special tool builder has a right to possession of the special tool and may enforce the right to possession of the special tool by judgment, foreclosure, or any available judicial procedure. The special tool builder may do 1 or more of the following:

(a) Take possession of the special tool. The special tool builder may take possession without judicial process if this can be done without breach of the peace.

(b) Sell the special tool in a public auction.